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INDONESIA WORKS TO CONTROL ITS RICE PRICE INFLATION

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This week's cover:

Indonesian farmers solve the problem of keeping their rice seedling rows straight with the help of a marking stick. Price problems are giving them more trouble. See story beginning this page.

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Indonesia Works To Control Its Rice Price Inflation

By JOSEPH R. WILLETT, *Deputy Director*
Foreign Regional Analysis Division
Economic Research Service

Bundles of rice drying in the Bali sun.

Indonesia's efforts to harness its galloping inflation were hampered during 1967-68 by rapid increases in the price of rice—its principal crop and chief food article. The rice price situation reflects not only an unusually short crop but also distribution and marketing problems of long standing.

In 1967, under an austerity program, the Indonesian Government managed to greatly slow the rate of inflation, and the overall price index went up only about 50 percent during the first 8 months of the year. This was a major achievement in relation to the 1,500-percent rise in Djakarta's cost-of-living index during the 12 months ending in June 1966. However, in the late summer of last year the price of rice began rising steeply and erratically in major markets.

In Djakarta last September, the price of rice rose 50 percent; it jumped still higher in November. In Surabaja (East Java), the price rose nearly 100 percent from August to October. In North Sumatra, prices skyrocketed in late October.

Importance of the problem

Rice is by far the country's most important crop; it occupies a third of the total crop area, makes up 30 to 40 percent of the average Indonesian's market purchases, and ranks as the major item in the average diet. Thus, rapid increases in its price are not only hard on the consumer's budget but disturbing to the general economy. They are directly reflected in the rising production costs of rubber, Indonesia's most important export; for the rubber plantations furnish their workers with rice.

The problem does not, however, include a serious threat of widespread starvation. During the past 15 years, the production of food in Indonesia has generally kept pace with the growth of population; and the average per capita availability of rice in 1967, from production and imports, was not much below that of recent years.

The rapid price rises of that year were due in part to an unusually long dry summer, which lowered production of the dry-season rice crop that normally supplies about a fifth of total output. This shortfall was combined with low rice stocks, which made it impossible for the government to sell sufficient additional rice on the market to supply the demand at existing prices. (About 70 percent of the rice crop usually remains in rural areas and is consumed locally; and government supplies usually represent perhaps one-third of the marketed rice.) However, the rice price situation in late 1967 was also in part the result of a long series of economic difficulties which had beset Indonesia ever since it obtained its independence in 1949.

Economic background

For some years before 1967, the operation of a large part of the Indonesian economy had to a very considerable extent been divorced from the market, with heavily subsidized government organizations determining production patterns and the allocation of resources. Large budget deficits were incurred and very rapid inflation resulted. The index of retail prices in Djakarta rose from a base of 100 in 1955 to 18,600 a decade later. Indonesia's foreign exchange position deteriorated rapidly, and the new government that took office in 1965 was unable in 1966 to meet payments on the foreign debt of more than $2 billion which it had inherited.

Foreign aid had helped sustain the Indonesia economy for years. Indonesia had received large amounts of aid from the United States, the Soviet Union, Communist China, Japan, several West European countries, Australia, and various United Nations agencies. Between 1949 and 1964 the United States alone provided more than $700,000,000 worth of aid in a variety of forms. In 1964 and 1965, however, Indonesia rejected aid from the United States and many other countries and resigned from the United Nations and other international organizations to which it had belonged.

Indonesia has now rejoined the United Nations and a

Below, left, rice being harvested. It is brought in from the paddies in bundles hung on poles (right) or balanced on a worker's head and sometimes wearing his hat (below, right).

number of the other international organizations, and a group of creditor nations including the United States has met several times to plan the rescheduling of Indonesia's debts and new aid programs. In 1966 and 1967 the new government undertook a stabilization and rehabilitation program, aimed mainly at the control of inflation, the rebuilding of Indonesia's international credit-worthiness, the rehabilitation of such overhead structures of the economy as transportation (which had deteriorated badly), and where feasible the reintroduction of market forces, to provide information and incentives for economic decisions. The 5-year plan for 1969-73, now being prepared, aims at developing the raw material base and further rehabilitating the economy, as well as improving the levels of living.

Previous efforts to solve rice problems

The Indonesian Government had not been ignoring the rice situation. Many programs and policies were adopted over the years to deal with it, including imports of rice, subsidies on credit and fertilizer, guidance to farmers, direct distribution of rice to large groups, supplies to hungry areas, transmigration programs, irrigation projects, and various attempts to control marketing by limitations on storage and movement of rice. The production of rice increased, but imports increased much faster; from 1960 to 1964, they averaged more than a million metric tons annually. The imported rice went mainly to the cities and helped to keep down the price of food there.

By 1960, a government organization had responsibility for distribution of a substantial share of the marketed rice. This organization both imported rice and procured it domestically, to supply the military, the government-operated estates producing rubber and other commodities, and the civil servants (who received payments of rice to supplement their inadequate salaries). In addition, the government sold, or "injected," rice in city markets when prices rose. It tried to buy rice domestically at low prices but usually failed to meet procurement quotas. Low prices discouraged the flow of rice into the cities from farmers through private traders.

Problems of marketing system

The rice mills, some 750 in number, had long been major processors and distributors of rice going to the cities. However, in recent years most of the mills have been allowed to process only government rice; thus they have been operating far below capacity. The government encouraged the establishment of smaller, local operations, the rice hullers. Many restrictions were established to prevent anyone from storing large amounts of rice. In addition, there were a number of taxes and prohibitions that had been imposed on the movement of rice.

At present, despite the inefficiences in processing, the rice marketing system appears to perform fairly well, without excessive costs, in moving rice from producers to local markets. However, in providing an orderly flow of rice to the consumer over a period of time, the system works very poorly. Extremely rapid price movements like those of 1967-68 would not occur in an effective, well-functioning marketing system. Together with extremely wide variations in price from region to region, they clearly indicate that there is a need for improvements in the marketing system.

An efficient Indonesian rice distribution system would require a unified market; that is, one with a minimum of local administrative restrictions or taxes on the movement of rice. Indonesia does not have a unified market at present. Great variations in price between regions are only partly explainable by costs of transportation. There are still taxes and other restrictions on movement, including specific prohibitions at various administrative levels from province to county. The taxes, generally designed to provide revenue, may not be too harmful if kept very moderate. The restrictions are intended to maintain low prices for the benefit of consumers in the area.

Such restrictions have a long history in Indonesia, and a political, social, and legal basis. But they prevent the efficient use of natural resources and the location of production in areas where it is most economic. As the pace of economic activity and development increases, they will tend to have even more costly effects, for economic development usually requires increasing specialization and a common market within the country.

Prospects for improved marketing

Because the government has dominated the rice market for a number of years, private capital and enterprise may not be able to quickly assume a much larger share of rice marketing functions. In addition, the government still has substantial obligations to furnish rice, not only to military organizations and estate workers, but also to civil servants as part payment of their salaries. These payments-in-kind have been reduced, but they are still sizable. As the economy is stabilized, it should become possible to reduce them further and ultimately replace them with payments in cash.

Although the Central Government has decided that the mills should be freed to process rice on their own account or for customers other than the government, there has been some delay in fully implementing the decision. The mills can generally produce a larger proportion of high-quality rice than the hullers, but most of their equipment is very old and difficult to maintain. For the move toward greater dependence on private institutions to process rice and on the market to distribute it, the hullers have some natural advantages, being closer to the farmers and often closer to the consumers. They have much investment in equipment which should be utilized.

Reasonably stable prices, with orderly seasonal changes to cover the costs of storing and marketing, would provide a strong incentive for private capital and enterprise to enter the business of distributing and processing rice. Such prices would offer little opportunity for excessive speculative profits. In addition, forward prices for rice, established in suitable relation to the prices of fertilizer and other purchased inputs and announced as government objectives before the planting season, could encourage farmers to use more inputs.

Indonesia needs to produce more rice. It feels it must cut down on expensive rice imports; and yet, it must also prepare for rapid growth of rice demand in the future. Population is climbing rapidly, about 2.6 percent per year; and sample surveys indicate that as incomes rise, Indonesian consumers have a very strong tendency to spend a large proportion of the increase on purchases of rice. Thus, for the consumer's needs to be satisfied at reasonable prices, production will

have to increase much faster than in the past—faster than population.

Production program stepped up

Fortunately, Indonesia seems to have good potential for a rice production increase. Since 1963, the government's main vehicle for this has been the BIMAS program, which provides subsidized credit, fertilizer, improved seed, insecticide, and extension service guidance to selected groups of farmers. The program has had some considerable successes, although it has also sometimes suffered from late supplies and other shortcomings. Until now, it has been extended to only a small percentage of the total rice area, but it appears to have had an important educational effect in demonstrating to hundreds of thousands of Indonesian farmers the benefits of modern rice-growing technology.

Now, the BIMAS program is being expanded to 3.7 million acres for harvest in the second quarter of 1969. To this area will be assigned large fertilizer imports recently approved by the Indonesian Cabinet—185,000 metric tons of urea and 70,000 of triple superphosphate. Almost a fourth of the program area will be set apart for massive testing of two "miracle varieties" from the Philippines—IR8 and IR5. Indonesian experts have been working on improved rice varieties, and these—produced at the International Rice Research Institute—show special promise.

There are many opportunities for improving and expanding the irrigated rice area in Indonesia. When sufficient irrigation water is available, two crops of rice can often be raised per year on the same land. This will be one of the main effects of the new Djatilihur irrigation project, which will soon bring water during the dry season to hundreds of thousands of acres of rice land near Djakarta. In the past, there has been much deterioration of the irrigation system, with severe silting and crumbling of the ditch banks. Much of this disrepair can be corrected with little expenditure other than labor. U.S. "Food for Work" has been used to pay workers on such projects.

Agriculture potential favorable

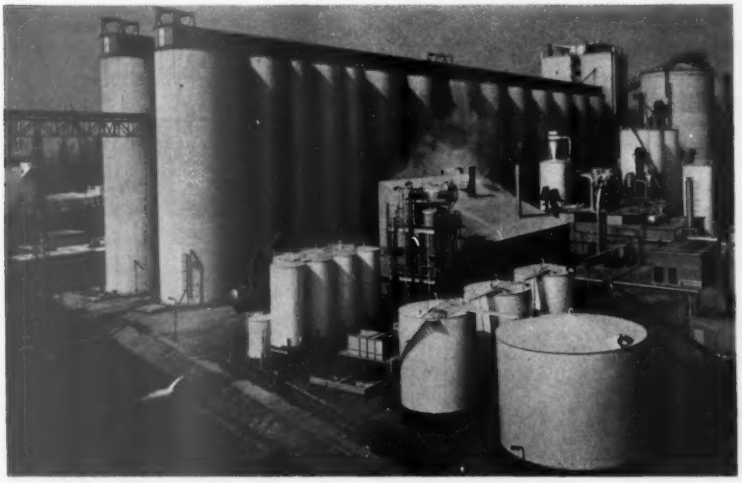
Java, the capital city's island, is one of the most crowded agricultural areas in the world; but large uncrowded areas on the other islands offer opportunities for combining much more labor with land and water resources to produce more rice. For some years the government has subsidized the transmigration of farmers from Java to other islands. Transmigration, currently proceeding on a fairly modest scale, probably has a considerable potential, especially if the country becomes a fully integrated national market.

Indonesia has many other possibilities for developments that would help in solving its rice problem. Improvements are needed in the rural credit system. Cooperatives, now generally weak, may develop to perform important functions in supplying credit and in marketing inputs and outputs. Rice substitutes, including bulgur—now being purchased from the United States under Public Law 480—may help in easing the growing demand for rice.

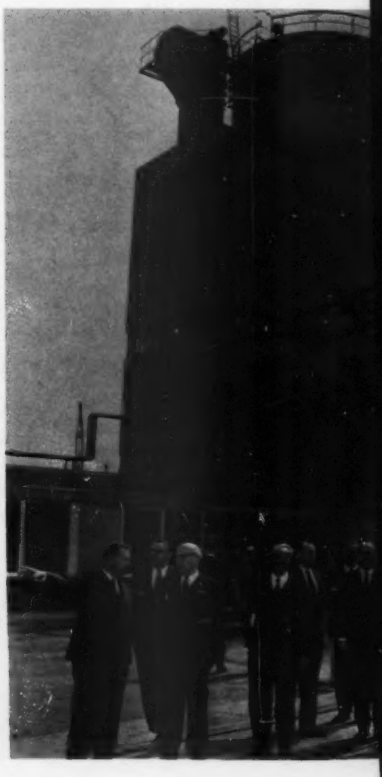
Indonesia is not a wealthy country, and its rice problem is serious. However, it has rich resources in land, water, and climate. It also has intelligent, hard-working farmers, many of whom are well aware of the possibilities of fertilizer and improved seed. With political stability and reasonable economic policies, Indonesia should be able to make good progress in agriculture.

Europe's Latest Soybean Processing Plant

The already bustling Amsterdam waterfront now has a new source of activity. The newest soybean-processing plant in Europe was recently opened by the Dutch affiliate of an American company. The installation can process 500,000 tons of soybeans a year to produce 400,000 tons of meal and 90,000 tons of edible oil. The meal will be used as a high-protein ingredient in animal feeds and the oil for cooking, to make margarine, and to manufacture industrial products such as lacquers and automobile paint. The plant fronts on deep-water harbor, and beans can be unloaded directly from ships into elevators. Finished meal and oil can be removed from the plant by road, rail, or canal to the interior of Europe or can be put directly in ships for the United Kingdom.



On the left are the director of the Dutch firm (pointing), the plant superintendent, and the Mayor of Amsterdam discussing the new plant at the opening ceremony. To the right is an air view of the facility showing the equipment for storage and work.



Argentina Launches Livestock Experiment

By MARTIN G. SCHUBKEGEL
Assistant U.S. Agricultural Attaché, Buenos Aires

A $37-million experiment in upgrading the efficiency of Argentine beef production—the Balcarce Project—is scheduled to get underway this month with farmers filing applications to participate. The Balcarce Project can accept only 700 producers, and not until 1970 will the total number be enrolled. Financed jointly by the Argentine Government and the World Bank, the project, if successful, could be followed by other similar programs.

Large cattle numbers and low costs of production explain why in most years Argentina has been first in world exports of beef and veal. The competitive advantage, however, is being whittled by inflation of 20 to 30 percent per annum. The predictable upshot: Reduced profits to the cattleman, who takes a dim view of making long-range investments in an uncertain economic future. The implications are considerable for Argentina's now-favorable trade balance. Of last year's $1.5 billion export earnings, about 40 percent came from livestock products.

Package development emphasized

The Balcarce Project emphasizes "package development" of cattle operations through providing supervised credits plus technical assistance. A participant who deviates from the prescribed practices may find his loan canceled. But a high attrition rate is not anticipated. Balcarce—particularly when it comes to credits—offers big advantages to its participants. Normally in Argentina agricultural loans are short or medium term, rarely for more than 5 years, and are granted for specific uses like machinery and fertilizer purchases. Balcarce's proposition is extremely attractive—9-year loans amortized starting the 5th year at 13 percent interest and multipurpose in scope.

Numerous uses for loans

The loan to a producer can go for a variety of investments —like fencing, seed for improved pastures, breeding stock, and watering facilities—so long as they contribute in a direct way to increased beef production. Before any loans are extended, the farmer works out a plan of developing his holding with the assistance of INTA (National Institute of Agricultural Technology) technicians employed for this project. Only one-third of a farm will be developed using Balcarce credits. It is presumed that progressive producers might in the future apply the same proven methods—and money earned as a result of improvements—to the remaining two-thirds, using other means of financing.

In all, the Balcarce Project farms will total about 800,000 hectares in southern Buenos Aires Province, including some of the best and worst land of the Pampean region. This in the past has not been thought of as a primarily fattening zone for cattle but it could become so if the project attains its objectives: Increased carrying capacity per land unit;

Above, cattle are rounded up for vaccinating, and, right, calves get their vaccinations against foot-and-mouth disease. Extensive work already has been done on disease control, as well as pasture improvement at the INTA experiment station near the town of Balcarce.

higher calving percentages and weights at weaning; and, in summary, greater meat output.

Help from experiment station

The geographical location for the project was chosen for several reasons, foremost of which was the region's status as a key source of Argentine calves and feeder cattle. Also, outside the town of Balcarce is the country's main INTA experiment station for beef production. There in the early 1960's FAO conducted a study of disease and nutritional problems affecting livestock in the area. The study revealed the existence of certain soil deficiences and other ecological problems. But, more importantly, it concluded the prime shortcoming to be the bare fact that cattle had inadequate feed supplies, which could be corrected by establishment of improved pastures.

INTA, in cooperation with the technical assistance of the U.S. Agency for International Development, followed up on the FAO finding with sheep and beef production projects to formulate the ideal management setup. The use of improved pasture got primary emphasis, backstopped by modern genetic theory and disease-control techniques. In the final analysis, the carrying capacity on the demonstration farms jumped to 2.2 cow equivalents per hectare—or treble the average for the zone; veal output quadrupled the average to 320 kilograms per hectare; and calving percentages increased to 88 percent from 65 percent. The goals established for the new Balcarce Project are about midway between the average for the zone and those attained by INTA.

Results demonstrated at Balcarce could be gotten elsewhere by applying similar techniques and management practices. At this moment FAO is investigating conditions in the principal fattening area in northwest Buenos Aires to decide whether integrated development could be tried there as well, if and when funds become available.

To accomplish the task of uplifting beef productivity, Argentine producers require the proper tools to plan for the future. This partly means multipurpose long-term credits, the shortage of which has materially stymied the investment process. For reasons more than the inflationary spiral, lending institutions are ill-equipped to meet this need for the moment. Nor can they now amply provide the technical guidance to assist producers in operational planning. When the time is right for change, however, the question "in which direction" may have already been answered by the Balcarce experience.

Counterclockwise from left: View of experiment station near Balcarce; worker bales winter forage; and stacks of these bales provide the reserve needed for feeding animals in the winter.

West German Hop Industry

...Mechanized and Expanding

Left, hops being turned over as they are dried in a kiln in a hop farmer's house. Below, blast sprayer in operation in a hop garden for disease control.

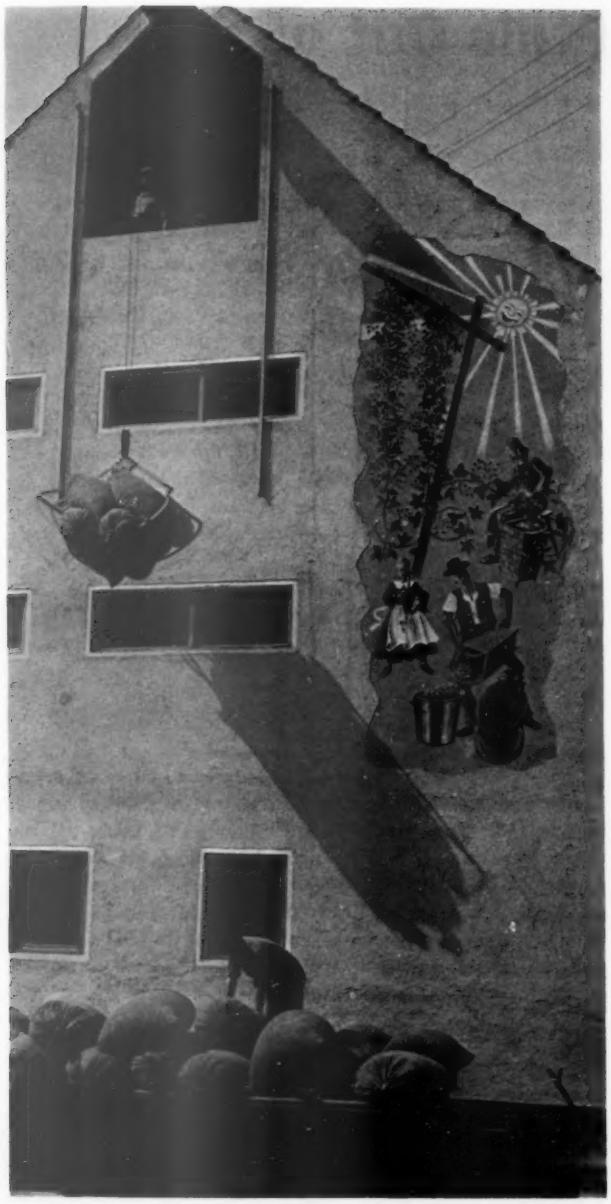
West Germany grows more hops (used to flavor beer during brewing) than any other country in the world except the United States, and it may soon become the leading grower. German hop acreage has been expanded each year for 7 consecutive years. The single most important hop-growing area in Germany is the Hallertau in Bavaria, which in 1966 had more than 20,000 acres in hop gardens. Minor areas are in Baden-Wurttemberg and in Rheinland-Pfalz.

Hop cultivation and harvesting are now mechanized even though the average acreage per grower is small (about 2.5 acres compared with over 90 in the United States). Cultivation, spraying for control of pests and diseases (such as aphids, downy mildew, and verticillium wilt), harvesting, and picking of the hop cones are all mechanized.

Because of price swings in hops due to changes in crop size from year to year, both buyers and growers commonly use forward contracts—that is, a grower's crop or some portion of it is sold 6 months to 3 to 4 years ahead of actual harvesting. In 1967 about 73 percent of the West German hops crop was covered by forward contracts at prices advantageous to growers because of the relatively small 1966 crop. In 1967, however, West Germany had a record hops harvest that is now estimated at about 49.2 million pounds. Both the large 1967 harvest that increased brewers' stocks and the lack of growth in the brewing industry because of the West German economic slowdown have depressed the price of forward contracts for 1968 and 1969. Contracts now are being made for $68.10 to $79.30 per 100 pounds of harvested, dried hops—giving a grower small profit.

Increased hops production in Germany and other European countries has caused the European Economic Community to consider a common agricultural policy for hops that would both curb imports and provide a minimum price for producers. At present Germany and the United States each exports hops to the other though each is a major grower. Imported hops are purchased because of price, quality, or blending needs. (Photographs supplied by Badische Anilin und Soda-Fabrik A.G. of Ludwigshafen, West Germany.)

Left, harvester on a moving platform cuts hop vines from a trellis. Below, scene in the Hallertau.



Left, bags of hops are transferred to a drying kiln in the Hallertau. Scene on building wall shows hop vines on trellises, harvesting and picking by hand, and a girl with a mug of beer.

Above, dried hops are emptied from bag into beer vat at a Germany brewery. Below, hop vines are lifted from wagon and fed into a mechanical picker. Note man at control panel.

Right, mechanical cultivation. Below, dried hops being hauled from a sealing hall after certification.

Japan's Feed Industry Pulls Out of Slump

By LEON G. MEARS
Assistant U.S. Agricultural Attaché, Tokyo

Japan's mixed feed industry, already one of the world's largest, is expected to show a 10-percent jump in output during Japanese fiscal year 1968 (April 1968-March 1969). This forecast is in sharp contrast to the pessimism prevailing in the industry only a few months ago when demand was dull and output was running well below year-earlier levels.

Production of mixed feed in Japan, according to both the feed industry and the Ministry of Agriculture and Forestry, could reach a record 11.3 million metric tons in JFY 1968. This 10-percent gain from the JFY 1967 level is in keeping with the average growth rate between 1960 and 1966 and is a marked improvement from the lackluster showing last year.

During that year, growth in the feed industry was kept to a modest 4.1 percent by two factors—pork prices and poultry disease. Unusually low pork prices early in 1967 led to a significant decline in farrowing and, consequently, to a lower number of hogs on feed after midyear. A widespread outbreak of Newcastle disease, also early last year, adversely affected both broiler and egg production, and feed use for these purposes was significantly lower than had been anticipated.

Hog, poultry industries recover

The pickup in demand for feed has come from these very industries that suffered setbacks in JFY 1967, as well as from the growing beef and dairy industries.

Since July 1967, pork prices have been at high levels, and the short-term outlook for this market appears favorable. As a result, grain consumption by hogs is on a growth streak that is expected to accelerate during the last half of this year.

In the poultry industry, numbers are forecast to increase almost 15 percent between February 1968 and February 1969. Partly responsible for this improved outlook are measures taken to fight Newcastle disease. These measures—including use of live vaccine—led to a drop in incidences of the disease to 580,000 in January-March 1968 from 890,000 in the same period of 1967.

Numbers of beef and dairy cattle are also on the rise. For the first time in well over a decade, beef cattle numbers climbed last year, and a further expansion is underway. Government livestock officials are now convinced that the greatest opportunity for expanding local beef output in a hurry lies in the feeding of Holstein steers. In the past, almost all the dairy bull calves were slaughtered for sausage or for other purposes shortly after birth. This Holstein program, which is now gaining momentum, has been promoted by the Tokyo Office of the U.S. Feed Grains Council for some time.

NUMBER OF CATTLE, HOGS, AND POULTRY IN JAPAN

Item	February 1		
	1967	1968 [1]	1969 [2]
	1,000 head	*1,000 head*	*1,000 head*
Dairy cattle	1,376	1,485	1,638
Beef cattle	1,552	1,602	1,717
Hogs	5,975	5,680	6,080
Chickens	157,408	162,743	185,371

[1] Estimate. [2] Forecast.

Livestock Bureau, Ministry of Agriculture and Forestry.

U.S. farmers gain

Since about two-thirds of the volume of the ingredients in mixed feeds must be imported, this year's feed industry growth will be important to U.S. farmers. Japan's imports of corn between 1961 and 1967 rose from 1.8 million metric tons to 4.0 million, and those of grain sorghum went from 146,000 tons to 2.6 million. Of the 1967 total, the United States supplied 1.6 million tons of corn, 2.2 million of grain sorghum, and 139,290 of barley for $261 million, c.i.f.

U.S. soybean producers also have benefited from the industry's growth. Most of the increase in Japan's soybean imports in the last few years—from 1.2 million tons in 1961 to 2.2 million in 1967—has been to meet demands of the crushing industry, which finds a ready feed market for soybean meal in Japan. The Tokyo Office of the American Soybean Association has played an important role in promoting soybean meal as a mixed feed ingredient.

Japan's growing consumption of feeds has also meant bigger sales for U.S. producers of alfalfa, feathermeal, meat and bone meal, and lower grades of animal fats. In the past 3 years, purchases of alfalfa pellets from the United States have nearly doubled, and the record imports of 314,910 metric tons in 1967 were valued at $19 million, c.i.f. Also, the National Renderers Association, Tokyo Office, is promoting greater use of animal fats in feeds, and these efforts are paying off. Many feed manufacturers recently have installed or are now installing equipment for adding fat to feed, and imports of animal fats for this purpose are expected to show a big increase over the next few years.

Corn imports up, sorghum off

Japanese imports of corn in fiscal 1968 are now forecast at 4.5 million tons, of which the United States is expected to supply about 2.0 million. Through January-May of the current fiscal year, Japan bought 2,155,552 tons of corn, up 500,455 tons from the same 5 months of 1967. And more of this came from the United States than in past months—50.8 percent, compared with 36.1 percent in October-December 1967.

The c.& f. price for U.S. corn in Japan has declined in recent months, and this combined with the brisk demand is stimulating the larger purchases. U.S. No. 2 corn is currently quoted as $56.95 per metric ton for August shipment, compared with quotes of $62.85 in mid-February for April shipment. The decline reflects the large supplies in the United States and the downward trend in freight rates resulting from use of larger vessels and improved port unloading facilities.

Use of corn in mixed feed during JFY 1968 is forecast at 3.7 million tons, compared with 3.25 million in 1967. Attractive corn prices relative to sorghum in recent months, combined with an expansion in animal and poultry feeding, are primary factors behind the increase.

Industrial use of corn is also increasing rapidly, and about 869,000 metric tons are expected to be utilized in this way

Left, largest shipment—37,000 tons—of U.S. grain sorghum to Japan is unloaded at Kawasaki. (Photo by ZENKOREN.) Above, Holstein steer for USFGC feed trials.

during JFY 1968, mainly for manufacture of cornstarch. Imports of corn for industrial use have tripled since 1963-64, largely because of increasing popularity of cornstarch in the confectionery industry and the declining production of sweetpotatoes for starchmaking.

But while corn continues to benefit from Japan's growing demand for mixed feed, sorghum has lost ground in recent months, as the following table illustrates:

PROPORTION OF CORN AND GRAIN SORGHUM USED IN MIXED FEEDS

Item	Sorghum	Corn
	Percent	*Percent*
November 1967	25.6	31.3
December 1967	24.8	32.2
January 1968	24.1	33.5
February 1968	23.4	33.6
March 1968	22.5	34.8

Since October 1967, the price gap between corn and sorghum has narrowed, and at times sorghum has been quoted at a higher price than corn, particularly during February-April 1968. This has resulted in feed manufacturers utilizing more corn and less sorghum. Japanese feed technicians believe the feeding value of sorghum is about 5 percent less than that of corn and use this rule of thumb in determining which is the better buy.

Imports of grain sorghum during January-May 1968 totaled 1,026,777 tons, down 2 percent from those in the same period of 1967. The United States supplied 84.3 percent of the total, compared with 93.5 percent during the same period a year earlier. U.S. sorghum—while still dominating the market—is facing increasing competition from Argentina, Mexico, Thailand, South Africa, and Australia. Also, several Japanese trading companies are involved in stimulating grain sorghum production in Southeast Asia and Australia. Mitsui & Company, Ltd., for example, has entered into a contract to purchase sorghum in Australia and foresees imports under this contract hitting 500,000 tons annually by 1972.

Seeking new sources

While Japan continues to import feedgrains from all countries with supplies available at competitive prices, it has been giving increased emphasis to trading with the developing countries in Southeast Asia and Africa. This policy is prompted by a strong desire to diversify sources of supply and to correct the trade imbalance between Japan and several of these countries.

One recent development of significance to U.S. agriculture is the program being conducted by the Japan External Trade Organization (JETRO) to stimulate imports of primary products from developing countries. JETRO, a quasi-government organization under the Ministry of International Trade and Industry, has made available a substantial budget to hold exhibits in Japan of products from developing countries. According to JETRO, "the plan received a rather cool reception in the beginning, but recently we have been flooded with requests from developing countries, particularly in Southeast Asia."

JETRO held an exhibit for Thailand (May 17-25) and has agreed to hold similar shows for the Republic of Korea and El Salvador in the near future. JETRO-sponsored exhibits are tentatively scheduled later this year for Indonesia, Malaysia, the Philippines, Nigeria, and Colombia.

In addition, Japan has several other agencies to aid developing countries. These include an agricultural development section in the Overseas Technical Cooperation Agency (OTCA) and a newly formed company called Overseas Agricultural Development Company, Ltd. (See *Foreign Agriculture*, June 10, 1968, for further information on these companies.)

Caribbean Area Is Soaring Market for U.S. Poultry

Speaking to the Poultry Science Annual Meeting at Texas A&M University earlier this month, **Norman G. Paulhus,** ***FAS marketing specialist, reported a consistent improvement in U.S. poultry sales to the Caribbean area during the past 10 years. Tourism is booming, he said, and there is a good opportunity to promote poultry items and other sophisticated foods. Highlights of his speech follow.***

Combined exports of U.S. poultry meat products to the Caribbean markets in 1967 amounted to nearly $9.1 million, of which $5.6 million was frozen poultry; $2.4 million, hatching eggs; $786,000, baby chicks; and $268,000, market eggs. The Netherlands Antilles alone imported over a million dollars' worth of U.S. poultry products, and Bermuda, Jamaica, the Bahamas, and Barbados each over a half million dollars' worth.

The Caribbean markets are scattered over a broad expanse of the Caribbean Sea and the Atlantic Ocean. Most of them are within 1,600 air miles of Miami, and the fast-growing markets of Freeport and Nassau in the Bahamas are within 100 miles of the Florida coast. Many of even the more distant islands can be reached in 5½ or 6 hours by jet from New York. This minimizing of distance through jet air travel has helped make tourism a major source of income. In the Bahamas, for example, where total population is only about 130,000 persons, some 900,000 tourists visited during 1967, and further growth of tourism is expected.

Tourists—a major industry

Several Caribbean islands are developing facilities to attract ever-increasing numbers of tourists. Many first-class hotels are under construction, and facilities now in the planning stage will more than double existing hotel and restaurant capacity in several island locations. This extensive outlay of capital is a general indicator of the growth potential for the area—and the increased tourism generated by the new facilities will bring a rapid growth in demand for foodstuffs, including poultry products.

Market structure

In servicing the widespread Caribbean market, the relatively small size and population of the islands must be taken into consideration. The number of agents in the largest cities is very limited, and each agent generally represents several overseas firms. Agents handle a variety of foodstuffs, and consumer and industrial goods as well. Refrigerated facilities are sometimes lacking or difficult to obtain and capacity is limited. Refrigeration firms sometimes double as agents and provide distribution in refrigerated trucks.

Some major supermarkets serve as their own agents, buying directly from U.S. suppliers or through brokers. Supermarket development is in its infancy as compared with even the smaller supermarkets in the United States. Retail distribution varies considerably between countries and is influenced by the local customs and consumer tastes. The prospective supplier should make a firsthand visit to examine the wholesale and retail distribution system, product specifications, and competitive products.

Product lines

The shelves of retail stores and supermarkets hold a wide variety of U.S. food products, including canned fruits and vegetables, canned and pickled meats, flour and cake mixes, and breakfast foods. Display space in refrigerated showcases is frequently limited; but, even so, U.S. whole chickens and parts, ducklings, turkeys, and turkey products are seen in the same showcase. The types of poultry imported vary from market to market not only because of consumer preferences but also because of import restrictions. In Trinidad, for example, whole turkeys and turkey parts dominate imports of U.S. poultry because of restrictions on broiler meat; but in the Netherlands Antilles, over 85 percent of the U.S. poultry imported is chicken parts and whole broilers.

For the overall Caribbean area, the U.S. export lines ranked as follows:

	Quantity	Share of total
	1,000 pounds	*Percent*
Chicken parts	13,239	58.99
Broilers and fryers	4,963	22.12
Turkeys, whole	1,787	7.96
Poultry, not elsewhere classified	1,339	5.97
Fowl	535	2.38
Turkey parts	380	1.69
Poultry specialties	168	.76
Poultry livers	19	.08
Small game	11	.05
Total	22,441	100.00

Chicken parts—including necks and backs—coupled with whole broilers and fryers comprise 81.1 percent of U.S. poultry exports to Caribbean markets. Whole turkeys and turkey parts provided 9.6 percent of total volume. Since turkey products lend themselves to wide usage in the hotel and restaurant trade, it is expected that sales will grow to meet the demands created by increased tourism.

Sales figures for 1967 show turkey and turkey parts in good demand in the Bahamas, Bermuda, and Jamica. These three markets are among the top 15 in our world poultry trade. The Bahamas are our sixth largest export market for turkey products; Bermuda, our tenth.

Transportation problem

One of the problems which limits somewhat the more rapid expansion of poultry trade in the Caribbean is the shortage of adequate transportation. This is not especially applicable to those islands with deep harbor facilities capable of accommodating ships handling refrigerated cargoes. There, the problem is one of inadequate schedules which create difficulty in providing fast and regular service from U.S. ports.

The problem is more serious when harbor facilities do not permit the docking of large ships. These must stand offshore and unload perishable cargoes into unrefrigerated lighters for transfer to the port area—a process that creates excessive handling, fosters deterioration, and increases pilferage.

Some possible solutions

Some progress is being made with port projects calling for deep channels to accommodate large ships and for improvements in dock warehouses and facilities.

Some islands without deep seaport facilities do have large airports which accommodate the largest jet airplanes. For one small island with a rapidly growing tourist industry, air freight is being used to transport frozen poultry in ton lots. Tourism is the major source of income for the island, and it must import most of its food requirements because the local agricultural economy cannot produce all that it needs. Local food handlers, with limited cold storage space, find it advantageous to import a variety of frozen foods, including poultry items, by air freight. Local refrigerated

trucks meet the cargo planes at the airport, transfer the perishables, and transport them to the warehouse with a minimum of delay. This practice has been found preferable to the former method of receiving cargoes by ship and unloading into lighters for transfer to trucks at dockside.

It is clear that air freight will not be the answer everywhere. But where port facilities are inadequate and air cargo service is satisfactory, the feasibility and economy of air shipments should be considered. Although the volume transportable by air freight is limited, developments in this method of shipping should be watched. Larger airplanes, with containerized cargoes, are being forecast for major air freight routes in the not too distant future. This should have a good influence on air freight cargoes in the Caribbean area as the planes become available.

Containerized ship service also holds promise for the future in ports which can accommodate big ships. Only recently, one shipping line has introduced containerized cargo service to the Dominican Republic. Another is introducing smaller container cargo service to a few ports. At present, container service in the Caribbean is limited, but it is expected to increase along with export cargoes to the general area.

The continued increase in food imports by the Caribbean markets has led to a number of trade missions to the area. In October 1966, a 5-man FAS market survey group visited major markets in the southern Caribbean to determine the most suitable methods of promoting U.S. agricultural products in the area. This group recommended that American food products be promoted through shows at leading hotels by the Agricultural Attaché and the Trade Fair Division of FAS.

After Trade Fair Division representatives appraised facilities in the area, it was decided that processed foods shows would be held in Barbados, Trinidad, and the Netherlands Antilles (Curaçao) in late September and early October 1968. These will be limited-scale food shows with trade representatives from a number of U.S. processed food industries. The shows are aimed directly at the local food handlers, distributors, and institutional outlets. Attendance is limited to members of the food trade who are engaged in the buying and selling or serving of food.

For these three relatively small markets, the best promotional approach is to feature a variety of processed food items including a complete line of frozen poultry. The food show promotion effort provides an opportunity for U.S. food processors to participate and to sell whatever products are suited to the individual markets. This form of promotion servicing enables U.S. firms to compete more effectively with firms from other countries which are using in-store promotions and "trade mission" to increase their share of the market. We anticipate that the food shows will initiate trade relations between the U.S. firms and the local firms which will result in increased trade in processed foods.

Team Says Farm Trade With East Europe Could Expand

U.S. agricultural exports to Eastern Europe could be expanded, but it will take serious and continuing efforts to step up contacts among U.S. and East European businessmen and government officials, as well as the modification of certain U.S. trade policies.

Such was the report brought back early this month to Secretary of Agriculture Orville L. Freeman by the six-man agricultural trade team he had sent to Yugoslavia, Romania, Poland, Hungary, and Czechoslovakia (see *Foreign Agriculture*, July 1).

Reception of the U.S. agricultural trade message was good everywhere, though interest in individual products varied from country to country. Team members concluded, however, that any expectation of a rise in the level of U.S. agricultural sales to the area ($118.5 million in 1967) must take into account two trade policy problems.

One of these problems is that most-favored-nation treatment is not received by products entering the United States from Romania, Hungary, and Czechoslovakia; this trade is still subject to the high duties of the 1930's. Officials of the three countries said they can afford to buy more from the United States only to the extent that they are permitted to sell more there, and that MFN treatment would be an essential first step to trade expansion.

The other problem arises from certain U.S. shipping requirements. To get a U.S. export license for shipping feedgrains to countries of Eastern Europe, U.S. exporters must agree that part of each cargo will be delivered to a destination other than Eastern Europe. This "part cargo" requirement raises costs and makes U.S. feedgrains less competitive in East European markets. The team also reported concern about higher costs resulting from the requirement that 50 percent of the U.S. wheat exported to Czechoslovakia, Hungary, and Romania must be carried in American-flag vessels.

The mission noted that Eastern Europe's dearth of hard convertible currencies leads it to buy from the Soviet Union and the developing countries—with which it has generally favorable trade balances—certain products not otherwise fully competitive with U.S. products in price and quality. Examples are Czechoslovakia's huge imports of Soviet grain, vegetable oils, and cotton, and East European purchases of peanut meal from India and cotton from the UAR and Sudan.

For **feedgrains,** the team reported consumption on the rise along with living standards and demand for meat products. Import levels depend on local crop conditions. In Poland, there is definite interest, and in Hungary, some is developing; but Czechoslovakia has little interest at this time, and Yugoslavia and Romania are normally exporters.

For **soybean meal,** interest was high in all countries, especially Yugoslavia and Poland. Hungary and Czechoslovakia both have high tariffs on soybean meal or cake, which officials said would be canceled if MFN status is accorded.

For **wheat,** there was some interest everywhere in Hard Red Winter for blending. Czech interest, however, was dimmed by the U.S. cargo preference requirement plus an offer of a million tons of Soviet grain and a 120,000-ton purchase of Manitoba wheat from Canada. Yugoslav officials reported plans to import wheat, but not till after next January, owing to lack of storage space.

For **cotton,** Yugoslavia and Poland displayed most interest; the others get most of their cotton from the USSR, Iran, the UAR, Syria, and Greece. For **tobacco,** a gradual increase in U.S. exports of Virginia and burley seems likely; all five countries are interested in U.S. leaf for American-type blended cigarettes.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Between July 9 and July 16, 1968, most of the offer prices in Rotterdam remained unchanged. The prices for U.S. Dark Northern Spring declined 2 cents and those for USSR 121 and Argentine wheat were unquoted.

Argentine corn was down 3 cents while South African corn was up 1 cent. U.S. corn remained unchanged.

All offer prices, with the exception of U.S. Hard Winter 14, were down from a year ago.

A listing of the prices follows.

Item	July 16	July 9	A year ago
	Dol. per bu.	*Dol. per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 2 Manitoba	2.02	2.02	2.15
USSR 121	(1)	1.88	(1)
U.S. No. 2 Dark Northern Spring, 14 percent	2.00	2.02	2.05
U.S. No. 2 Hard Winter, 14 percent	1.99	1.99	1.96
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	1.73	1.73	1.76
Corn:			
U.S. No. 3 Yellow	1.30	1.30	1.50
Argentine Plate	1.47	1.50	1.60
South African White	1.51	1.50	1.63

[1] Not quoted.

Note: All quotes c.i.f. Rotterdam and for 30- to 60-day delivery.

Peak Western Australian Legume Seed Crop

Although total Australian pasture seed production during the 1967-68 season was seriously affected by drought conditions in the eastern States, production in Western Australia was at a record level. Nearly half of Western Australia's crop came from the Esperance area, and it is anticipated that this region will be an increasingly important supplier in coming years.

Owing to the shortage of pasture seed in eastern States, prices for most legume seeds have risen sharply in recent months, and quotations for some varieties are nearly double those ruling at this time last year. Although some seed will be available for export, it is anticipated that a large proportion of Western Australian seed will be required for the domestic market.

As of the end of April when inspection was nearly completed, certified legume seed production in Western Australia included 4,727 long tons of subterranean clover, 366 of rose clover, 19 of Palestine strawberry clover, 14 of jemalong barrell medic, and 15 of harbinger strand medic.

Mexico's Cotton Acreage Expands

Mexico's 1968-69 cotton crop is now planted in most areas, and indicators show acreage to be about 5 percent above that in the current season. In the high-yielding Sonora region where harvest is already beginning, the area is estimated at about 400,000 acres, an increase of around 25 percent from the level in 1967-68.

Production in 1968-69 is expected to be up substantially more than area, because yields in the Tampico region are likely to be much higher than in the past two seasons. The abnormally low yields in this region during 2 consecutive seasons have discouraged farmers and financiers; thus, acreage planted to cotton next season will probably be about the same as in 1967-68.

Mexico's 1967-68 cotton crop is now estimated at 2 million bales (480 lb. net), compared with 2.25 million a year earlier. This season's crop is the smallest since 1961-62. Most of the decline in production was in the Mexicali and Tampico regions. Reduced yields in the Mexicali area resulted from unfavorable weather conditions as well as severe insect damage. Dry weather early in the season and flooding later in the season resulted in both reduced acreage harvested and yields below normal in the Tampico-Altamira region. This is the second consecutive season in which production in this region has been markedly low.

Mexican cotton exports in the 1967-68 season are forecast at 1,300,000 bales, compared with 1,392,000 a year earlier. During the first 9 months (August-April) of the current marketing year, exports totaled 1,095,000 bales, about 16 percent below the 1,309,000 shipped during those months a year earlier. Exports to major destinations during this period, with figures in parentheses for the same time period in 1966-67, were: Japan 432,000 bales (570,000); United States 357,000 (216,000)—mostly for transshipment; Italy 78,000 (172,000); Chile 57,000 (73,000); France 27,000 (86,000); Canada 23,000 (837); and West Germany 20,000 (63,000).

Consumption of raw cotton by the Mexican textile industry is placed at 725,000 bales in 1967-68, compared with 670,000 last season. During the past decade, Mexico's textile industry has experienced a steady expansion. Local demand for textiles is increasing and export markets are being expanded.

Cotton Imports About Unchanged in 1967-68

Imports of raw cotton during the current season in 16 selected importing countries totaled about 2 percent less than imports in the same months of 1966-67.

Consumption of raw cotton by the textile industries in those countries was about 1 percent below mill offtake of a year earlier. In the current season, consumption was down more than 10 percent in Austria, Belgium, the Netherlands, and the United Kingdom, compared with consumption in the same time period during 1966-67. Textile activity in these four Western European countries has been depressed, and cotton consumption for the full season will be down. The countries of Denmark, India, Japan, and Sweden experienced small consumption increases this season. Aggregate consumption in the selected countries this season (August-July) is expected to be slightly above the 15.3 million bales consumed in the 1966-67 season. During the 1966-67 period, consumption in the 16 countries amounted to about 60 percent of the

total cotton consumed by all non-Communist foreign countries.

While aggregate imports of raw cotton during the current season were slightly below those of the same months in the preceding season, imports in six of the selected countries were more than those a year earlier. Imports were below consumption in more than half of the countries. One important exception was in West Germany where imports during the first 9 months were approximately 21 percent higher than mill offtake; however, some of this cotton was re-exported.

With imports about equaling consumption during the months covered, stocks were almost unchanged, a situation which is likely to prevail during the remainder of this season. Raw cotton stocks were built up in many importing countries in the 1966-67 season and are now higher than usual in some countries.

COTTON IMPORTS AND CONSUMPTION IN SELECTED NON-COMMUNIST IMPORTING COUNTRIES
[Bales of 480 lb. net]

Country	Reporting period	Imports [1]		Consumption [1]	
		1966-67	1967-68	1966-67	1967-68
		1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	Aug.-Feb.	62	53	64	57
Belgium	Aug.-Feb.	195	177	191	170
Canada	Aug.-Mar.	219	255	301	286
Denmark	Aug.-Mar.	19	23	21	22
Finland	Aug.-Mar.	52	45	57	54
France	Aug.-Apr.	1,005	845	961	885
Germany, West	Aug.-Apr.	972	1,095	905	905
Hong Kong	Aug.-Apr.	565	536	548	548
India	Aug.-Feb.	136	258	2,946	3,056
Italy	Aug.-Feb.	656	561	642	592
Japan	Aug.-Apr.	2,573	2,444	2,395	2,427
Netherlands	Aug.-Mar.	259	251	222	190
Portugal	Aug.-Dec.	116	129	147	141
Sweden	Aug.-Apr.	63	63	63	65
Switzerland	Aug.-Mar.	159	139	125	121
United Kingdom	Aug.-Apr.	654	670	705	620
Total		7,705	7,544	10,293	10,139
Total excluding India		7,569	7,286	7,347	7,083

[1] Preliminary and partly estimated.

U.S. Exports of Soybeans and Products

Soybean exports in May totaled 20.1 million bushels—down 1.7 million from May exports of last year. The current cumulative total of 213.6 million bushels exceeded last year's exports by 5 million bushels. This increase of a little over 2 percent resulted mainly from larger exports of soybeans to Japan, the Netherlands, and Spain.

Soybean and cottonseed oil exports of 69.4 million pounds were one-third less than in May of last year. Less soybean oil was shipped under Public Law 480 programs. Exports of oil during October-May totaled 637.3 million pounds—down 80 million from those of a year ago.

Exports of soybean meal reached 279,000 tons, 7 percent above the 259,700 exported last May. Soybean meal shipped during 8 months of the marketing year totaled 2.02 million tons, exceeding last year's exports by 175,400 tons. Exports to the EEC were up 16 percent. Shipments to other major meal markets, including Canada, the United Kingdom, and Poland also increased.

Total cake and meal exports rose to 2.14 million tons—

U.S. EXPORTS OF SOYBEANS AND PRODUCTS

Item and country of destination	Unit	May		Sept.-May	
		1967 [1]	1968 [1]	1966-67 [1]	1967-68 [1]
SOYBEANS					
Belgium	Mil. bu.	1.2	1.3	7.7	7.0
France	do.	.1	.1	2.0	.5
Germany, West	do.	3.3	1.7	27.6	26.3
Italy	do.	2.1	1.1	15.1	12.4
Netherlands	do.	3.5	2.9	28.6	32.8
Total EEC	do.	10.2	7.1	81.0	79.0
Japan	do.	4.0	5.4	46.1	56.1
Spain	do.	1.3	2.2	20.2	22.0
Canada	do.	2.5	3.2	17.6	16.7
Denmark	do.	1.6	.6	12.2	12.8
Israel	do.	0	0	9.4	7.2
Others	do.	2.2	1.6	22.1	19.8
Total	do.	21.8	20.1	208.6	213.6
Oil equivalent	Mil. lb.	239.3	220.3	2,290.4	2,345.4
Meal equivalent	1,000 tons	512.2	471.5	4,902.1	5,019.7

		May		Oct.-May	
		1967 [1]	1968 [1]	1966-67 [1]	1967-68 [1]
EDIBLE OILS					
Soybean: [2]					
Pakistan	Mil. lb.	2.7	1.1	48.4	125.7
India	do.	40.5	4.8	138.8	118.2
Tunisia	do.	6.8	22.9	71.1	85.9
Morocco	do.	2.0	2.8	9.2	29.8
Israel	do.	0	1.9	11.8	23.7
Vietnam, South	do.	1.0	7.1	19.9	28.9
Dominican Republic	do.	1.7	9.1	8.4	28.4
Canada	do.	1.6	3.1	14.1	15.8
Brazil	do.	4.5	2.4	20.6	15.3
Haiti	do.	1.8	1.4	9.7	11.2
Others	do.	41.0	12.0	302.9	119.0
Total	do.	103.6	68.6	654.9	601.9
Cottonseed: [2]					
Venezuela	do.	1.1	.1	21.8	23.6
Canada	do.	.6	.4	5.6	5.6
Japan	do.	([3])	0	1.0	1.7
Others	do.	.4	.3	34.0	4.5
Total	do.	2.1	.8	62.4	35.4
Total oils	do.	105.7	69.4	717.3	637.3
CAKES AND MEALS					
Soybean:	1,000 tons				
Belgium	do.	21.0	15.4	135.0	189.8
France	do.	31.1	49.1	299.2	336.9
Germany, West	do.	39.1	61.8	350.8	386.0
Italy	do.	41.8	24.3	139.6	110.6
Netherlands	do.	54.9	59.2	276.2	373.1
Total EEC	do.	187.9	209.8	1,200.8	1,396.4
Canada	do.	20.8	21.7	153.0	155.2
United Kingdom	do.	6.2	3.0	53.7	72.8
Denmark	do.	5.1	5.7	69.1	62.2
Yugoslavia	do.	11.5	12.2	105.4	59.2
Poland	do.	.8	0	36.4	47.7
Others	do.	27.4	26.6	230.8	231.1
Total	do.	259.7	279.0	1,849.2	2,024.6
Cottonseed	do.	.6	([4])	6.4	2.0
Linseed	do.	1.2	6.2	68.1	80.0
Total cakes and meals [5]	do.	263.9	292.8	1,939.4	2,140.1

[1] Preliminary. [2] Includes shipments under P.L. 480 as reported by Census. [3] Less than 50,000 pounds. [4] Less than 50 tons. [5] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records.

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up 10 percent from a year ago. Slightly more linseed meal was exported this year.

Brazil's Castor Output Revised Downward

Brazil's 1968 castor crop is now expected to be considerably below early indications. Trade sources in Bahia say that a shortage of rain this year will hold production in that State to no more than 150,000 metric tons compared with their early forecast of 180,000 and their estimate of last year's crop at 80,000. The same sources believe that production in Sao Paulo and Paraná will not exceed 70,000 tons compared with their early forecast of 110,000 tons. No trade estimate of total Brazilian production has been reported. However, assuming that all other States produce about 65,000 tons, as other sources forecast earlier, total production, based on the above trade estimates for the major producing areas, would be 285,000 tons. Early unofficial forecasts of total production set output at about 340,000 tons. Brazil's below-average crop last year has been estimated at 215,000 tons.

Portugal Opens New Margarine Factory

A new margarine factory located in Santa Iria de Azoia near Lisbon was officially opened on June 25. The factory, owned by Imperial Margarine Manufacturers, Ltd., has a production capacity of 40,000 metric tons annually. Domestic consumption of margarine and shortening in Portugal is currently estimated at 18,500 tons for calendar year 1967.

At the inauguration ceremony for the new plant it was announced that another margarine factory will be opened soon in Angola, a Portuguese Overseas Province.

South Africa's Output of Tobacco Products

Output of tobacco products in the Republic of South Africa during 1967 totaled 56.5 million pounds, a slight increase over the 55.3 million produced in 1966. Cigarette production, at 29.0 million pounds, was up 1 percent from the 28.2 million pounds in 1966.

SOUTH AFRICA'S OUTPUT OF TOBACCO PRODUCTS

Products	1965	1966	1967 [1]
	Million pounds	*Million pounds*	*Million pounds*
Cigarettes	27.4	28.2	29.0
Cigars and cigarillos	.1	.1	.1
Pipe tobacco	24.3	23.5	24.0
Snuff	2.7	2.9	2.8
Twist	.6	.6	.6
Total	55.1	55.3	56.5

Meat Imports Subject to Quota Up in May

U.S. meat imports subject to quota restrictions in May 1968 totaled 56.1 million pounds. This level was 9 percent greater than for the same period a year earlier when imports totaled 51.5 million pounds. Imports for the first 5 months of 1968 totaled 352.0 million pounds compared to 308.0 million for the first 5 months of 1967—a 14-percent increase over those a year earlier.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW (P.L. 88-482)

Imports	May	Jan.-May
	Million pounds	*Million pounds*
1968:		
Subject to Meat Import Law [1]	56.1	352.0
Total beef and veal [2]	71.5	394.4
Total red meat [3]	106.7	576.7
1967:		
Subject to Meat Import Law [1]	51.5	308.0
Total beef and veal [2]	56.9	333.8
Total red meat [3]	88.9	499.7
1966:		
Subject to Meat Import Law [1]	52.0	276.4
Total beef and veal [2]	52.8	289.6
Total red meat [3]	84.1	462.0

[1] Fresh, chilled and frozen beef, veal, mutton and goat meat. [2] All forms, including canned and preserved. [3] Total beef, veal, pork, lamb, mutton and goat.

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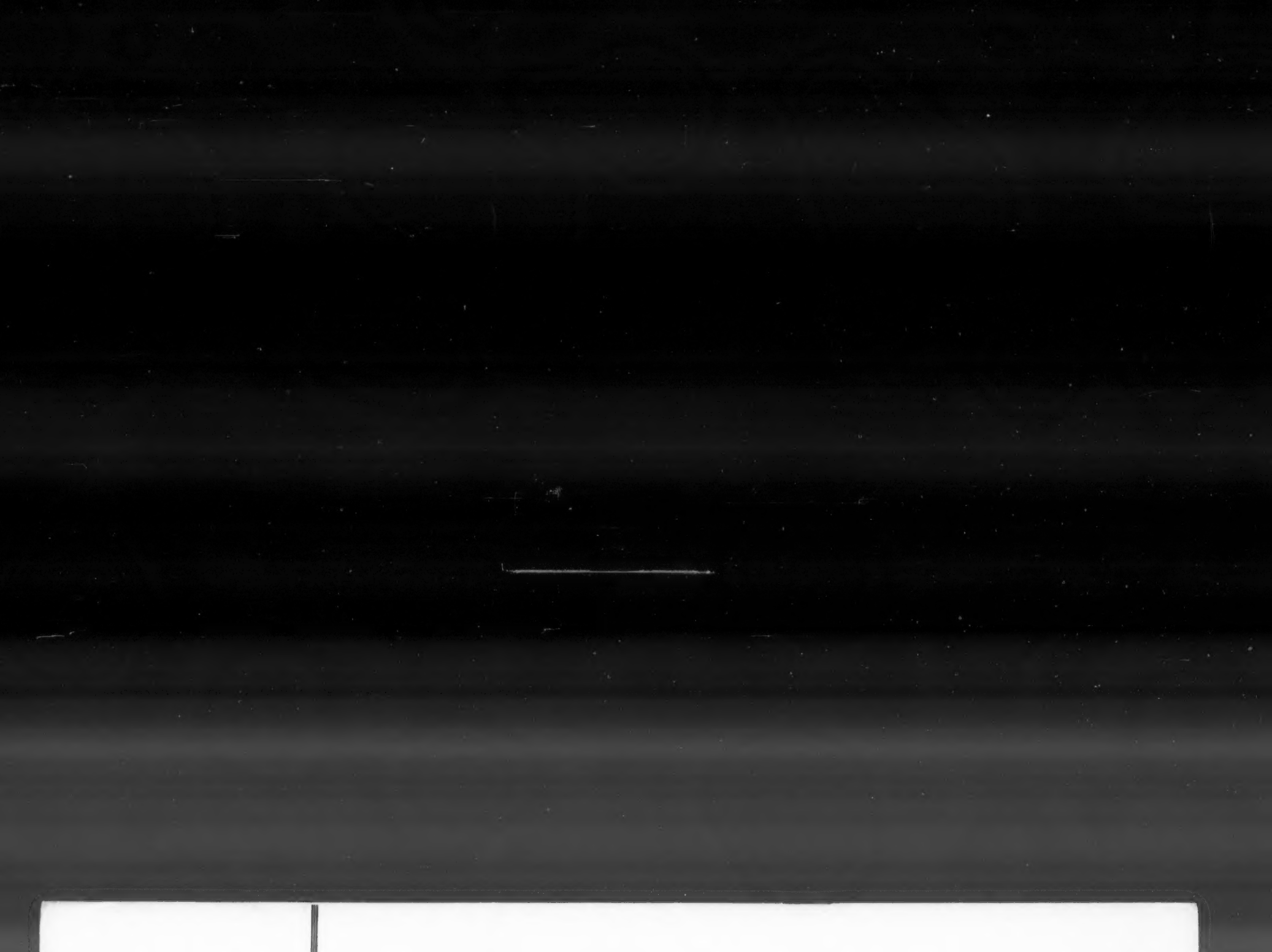
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